



QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 JUNE 2020

Woodline Projects

- The Company has completed planning for its significant Geophysics and Drilling programs for the Woodline project over the next two quarters.

Project highlights: Grindall-Redmill-Harvey & Socrates

- 828 km² of highly prospective tenure
- >\$14m of successful exploration work by Sipa / Newmont / MRG Metals & Nelson
- 8,419 m of RC Drilling and 789m of Diamond Drilling
- 20 km long Gold Geochemical anomaly
- Potential for a Tropicana scale Gold Deposit @ Grindall-Redmill-Harvey
- Potential for a resource @ Socrates significant gold intercepts in existing drilling

Yarri Project

- The Company signed an option agreement for the potential sale of its Yarri Project.

COVID-19

- The Company continues to follow all State Government directives in respect to COVID-19 and the Company's operations.

Corporate and Finance

- The Company has completed a successful and highly oversubscribed Rights Issue and Placement to existing and new shareholders. The Company has raised \$2.355m after costs to ramp up its exploration programs on its Projects.

CAPITAL STRUCTURE

ORDINARY SHARES

Issued 114,802,142

OPTIONS

Listed options 30,990,156

Unlisted options 7,614,458

BOARD

Executive Director - Adam Schofield

Non-Executive Chairman - Warren Hallam

Non-Executive Director - Stephen Brockhurst

Company Secretary - Stephen Brockhurst

LAST CAPITAL RAISE

July 2020

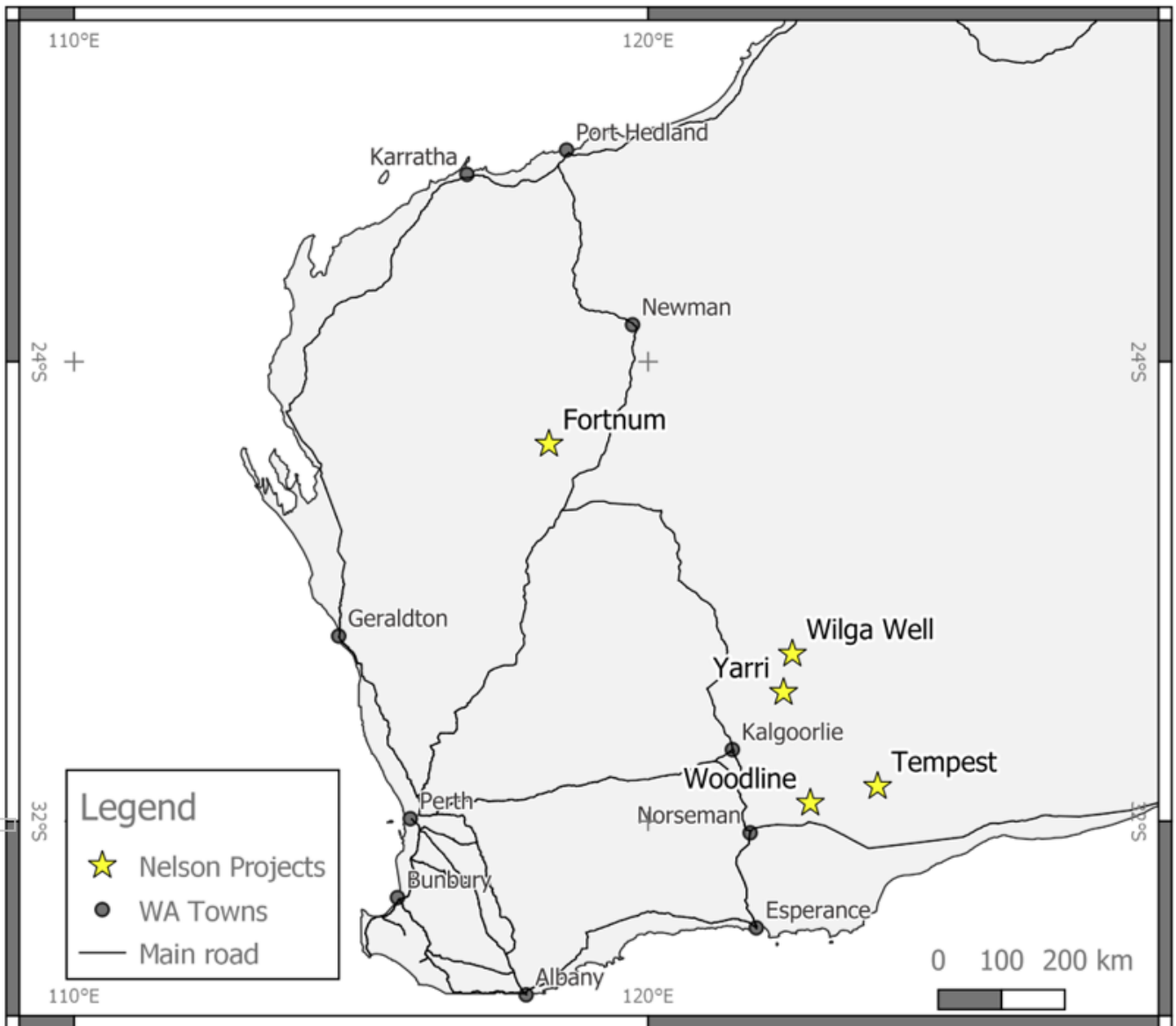
Entitlements Offer & Placement

\$2.355m @ 3.8c



Existing Projects Summary:

Figure 1 – Project Locations



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Woodline (Grindall-Redmill-Harvey & Socrates)

The Woodline Project lies 140km South East of Kalgoorlie and is halfway between the Trans Australia Rail line and the Eyre Highway. The Woodline Project is made up of the Grindall, Redmill, Harvey & Socrates Projects which make up 828km² of premium Tenure.

The Project lies across the boundary of the Archaean Yilgarn Craton and the Northern Foreland of the Albany-Fraser Orogen. Work carried out by Nelson at Socrates has returned some high calibre gold intersections, suggestive of a large gold system and it is believed that Grindall, Redmill, and Harvey each have the potential to host a Tropicana scale gold deposit.

Grindall-Redmill-Harvey

The Grindall, Redmill & Harvey prospects are associated with sub-parallel curvilinear structures that dip moderately to the east. The structures are interpreted to form in the hanging wall of the (deep seated / crustal scale) Cundeelee Fault which is the boundary between the Yilgarn Craton and the Albany-Fraser Orogen.

Anomalous Au, Te, Bi and Cu present in the bedrock can be used to identify structurally controlled gold mineralisation and has been identified over a strike length of 12 km on the Redmill-Harvey trend and over 5 km at Grindall.

Socrates

Socrates is hosted within a mafic unit that is bounded to the west by andesitic and rhyolitic volcanics and sediments to the east. The mafic unit is located within the Claypan Fault.





Tempest Project

Tenement E28/2805

The Company's Tempest project is located 250km ESE of Kalgoorlie and 90km NE from Nova-Bollinger Mine. It has an area of 105 km² and borders the IGO / Rumble Thunderstorm JV project (Figure 3). Recent drilling at the Thunderstorm JV includes an exceptional intercept of 25m @2.42g/t Au at the Themis Prospect and 4m @ 3.8g/t Au at the Pion Prospect (ASX Announcement Rumble Resources 1st July 2019).

Geology

The project is located in the Fraser Complex of the Proterozoic Albany-Fraser Orogen and is east of the Archean Yilgarn Craton. Tertiary fluvio-marine sediments associated with the Eucla Basin cover much of the region. The Proterozoic geology is characterized by granulite facies, felsic to mafic gneisses and felsic and mafic schists and intruded granites.

Previous Exploration

- There is limited historic exploration within the project area. In the period between 2010 and 2011 Black Fire Minerals Limited (WAMEX) conducted a Soil Auger Geochemistry and a limited AC program. Auger sampling was done on a 1000m x 500m grid and later infill auger soil geochemistry was done on a 500m x 500m and 250m x 250m grid. All samples were sampled for Au, As, Ca, Cu, Fe, Mg, Ni, Pb, Sb, Te & Zn. Aircore holes are located on the north-western part of the tenement that tested two +10ppb Au anomalies targets defined by previous Auger drilling.
- 430 Auger samples taken within the tenement. Lines are wide spaced (1000m x 500m) in east-west direction with some infill lines spaced 500mx500m and 250m x 250m.
- 18 AC holes for 1,989m.



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Wilga Well

The Company relinquished its Wilga Well Tenure during the quarter.

Yarri

The Yarri Project lies 160km North East of Kalgoorlie on Edjudina Station and is 30km North of Saracens Carosue Dam Mine and 7.5km East of the Porphyry Mine. Nelson's Yarri project consists of three prospects to the North and East of the historic Yarri State Battery site. The Company's main focus is on the Wallaby line of workings immediately to the East of Yarri, where recent drilling by the Company has returned a number of high grade encouraging drill intersections.

The Wallaby lodes were mined from 1902 to 1914 and from 1934 to 1940 producing 22,000 ounces of gold. The maximum depth of the old workings was to a shallow 35 metres (100 feet) below surface.

The Great Banjo lodes were mined between 1903 and 1905 producing 84.2 ounces of gold from 129 tonnes of ore at an average grade of 20.3g/t.

The Gibberts lodes were also mined between 1903 and 1905 and produced 37.5 ounces from 64.5 tonnes at an average grade of 18.1g/t. No production is documented since this time.

In the region, the Porphyry Mine is located approximately 7.5 kilometres to the West in similar host rocks. It has amassed a resource of approximately 880,000 ounces of gold (production plus defined resource estimates obtained from available literature).

Fortnum

The Fortnum project tenement number E52/3695 totals 21km². The Project is located within the Peak Hill Mineral Field, 140km north-west of Meekatharra and approximately 14km southwest of the Fortnum Mining center, in the locality of Billara Bore. The geology of the tenure consists of a fault bounded package of schists derived from the Narracoota and Labouchere Formation constrained by the Despair Granite to the east and Yarlarweelor Gneiss complex to the West. Thin surficial cover extends over the area, with strong insitu regolith development in the eastern parts of the schist, adjacent to the Despair Granite.

There are four gold mineralisation prospects on the tenure. Billara A, Billara North and Billara South are associated with quartz veining in highly sheared mafic schist adjacent to the contact with the Despair Granite. Billara D is associated with quartz veins in a NNE-trending, biotiterich schist, the Despair Granite, analogous to the Wilthorpe gold mine, 9km to the south.



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Project Activity:

Nelson Resources has completed the following work at each of its projects during the quarter:

Woodline

During the quarter, the Company finalised its exploration strategy and programs for the next two quarters at its Woodline Project.

The Woodline project has a significant number of distinct exploration opportunities and these are shown below with the planned work programs.

- Cundeelee Fault (Tropicana Scale Potential)

The Woodline Project has 45km of the Cundeelee fault within its tenure.

This fault is the boundary between the Albany Fraser Oregon and the Yilgarn Craton. There is an already identified >20km gold geochemical and bedrock anomaly which is interpreted to be in the hanging wall of the Northern Foreland of the Albany Fraser Oregon which is the same structural setting as the Tropicana Gold Mine.

There is limited RC drilling in this anomaly and the company intends to conduct approximately 3000 meters of RC drilling within the anomaly in the next 2 quarters. This drilling is to follow up on significant gold in hole Sipa/Newmont drilling at Grindall and Redmill and is intended to demonstrate the presence of a larger gold system and the potential for a large discovery.

Prior to commencing this drilling, the Company will conduct the following geophysics at both Grindall and Redmill to help guide drilling by improving the structural understanding of the localised geology:

- 4 km² Photogrammetry Surveys for Centimetre level accurate DEM data;
- 4 km² Ultra High-Resolution Ground Magnetic Surveys for structural data;
- 4 km² Passive Seismic Surveys for cover mapping and structural data.

This will be followed up with approximately 3000 meters of RC drilling at Grindall and Redmill to follow up on existing targets and those identified by the geophysics.

Additional to the above, the company will conduct the below geophysics over the 20 km gold geochemical and bedrock anomaly to generate targets for future drilling:

- 120 km² Photogrammetry Surveys for Centimetre level accurate DEM data;
- 120 km² High-resolution UAV Aero Magnetic Surveys for structural data;
- 120 km² UGV Passive Seismic Surveys for cover mapping and structural data.



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The company anticipates it will identify the structural controls for the gold system it is targeting with the above programs.

- Claypan Fault (Socrates)

The Socrates project (12km²) is the Company's original project and has had approximately 8400 meters of RC drilling done.

The bulk of this drilling is on a mineralised zone that currently extends for approximately 450m and is open on strike and down dip.

The best gold intercepts currently are:

- 1m @ 142 g/t Au
- 192m @ 0.5 g/t Au
- 8m @ 3.53 g/t Au
- 25m @ 2.06 g/t Au

The company plans to conduct a geophysics program as shown below.

- 144 km² Photogrammetry Surveys for Centimetre level accurate DEM data;
- 144 km² High-resolution UAV Aero Magnetic Surveys for structural data.

This will better map three parallel potentially gold bearing structures that have been identified by low resolution magnetics and show gold anomalism at surface.

This will be followed up with approximately 1500 meters of RC drilling and 1500m of Aircore drilling to follow up on targets identified by the geophysics and to show extension of the existing strike. The company believes it will be in a position to declare a resource at Socrates in 2021.

- Keith-Kilkenny Fault (Norseman - Wiluna Greenstone Belt)

There is approximately 30km of unexplored Greenstones within the Woodline tenure that has had little to no exploration done.

The company plans to conduct a geophysics program as shown below.

- 180 km² Photogrammetry Surveys for Centimetre level accurate DEM data;
- 180 km² High-resolution UAV Aero Magnetic Surveys for structural data.

Subject to the results of the geophysics the company may drill approximately 3000m of Aircore to follow up on any targets that look promising for both Gold and Base Metals.



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The Woodline project has been successfully explored by Sipa / Newmont / MRG & Nelson with expenditure in excess of \$14 million. The above exploration programs may vary as the results of the geophysics programs are reviewed.

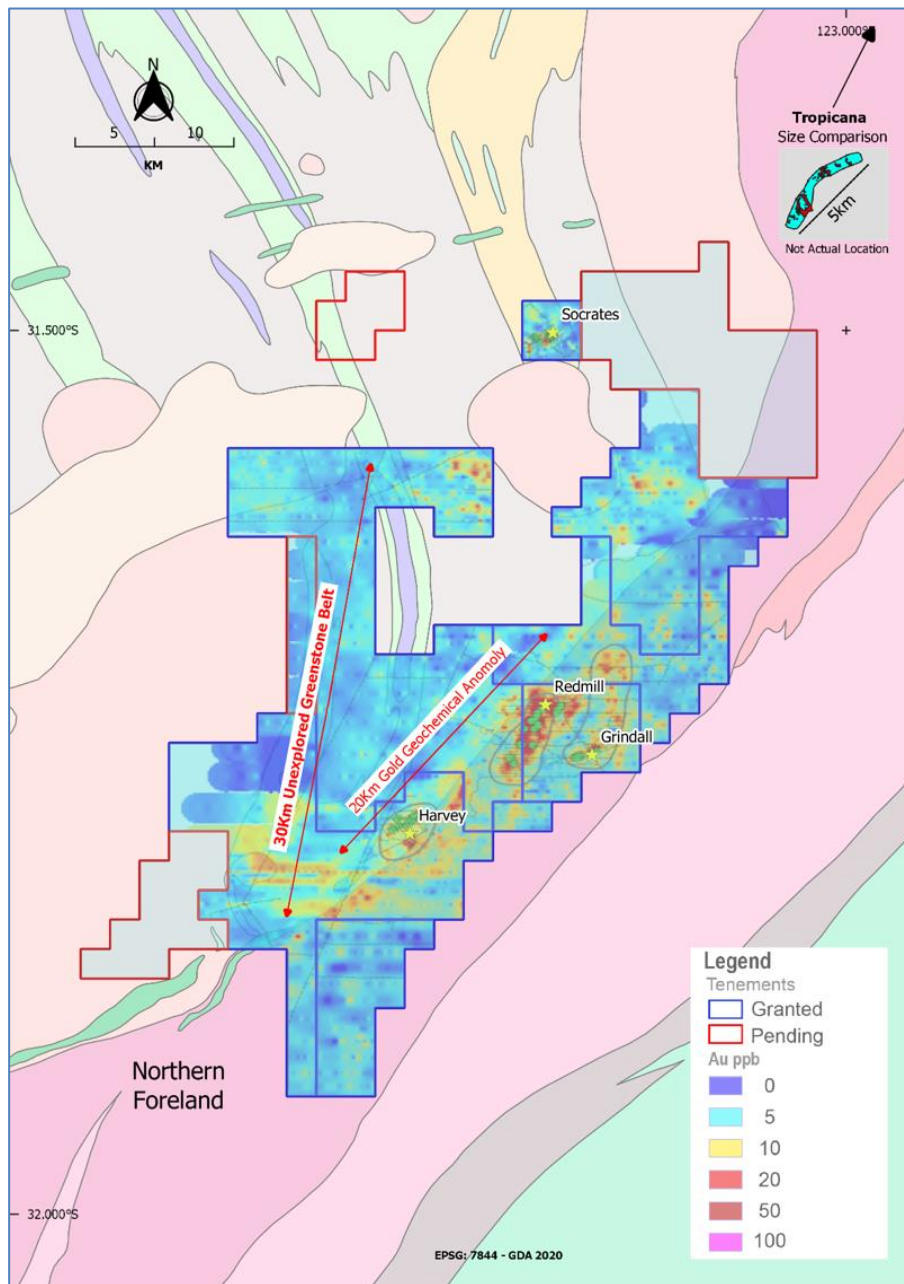


Figure 2. 20km Gold Geochemical Anomaly with Woodline tenure shown (Granted & Pending)





Tempest Project

The Tempest project has the potential to host both gold and base metal resources and historical exploration is both limited and early stage.

Historical work done is unrelated to the anticipated extension of the paleochannel identified at the neighbouring Thunderstorm project.

Within the next 2 quarters. The company intends to conduct the following Geophysics programs:

- 24 km² Photogrammetry Surveys for Centimetre level accurate DEM data;
- 24 km² High-Resolution UAV Aero Magnetic Surveys for structural data;
- 24 km² UGV Passive Seismic Surveys for cover mapping and structural data.

This work is intended to map the extent of the paleochannel and define RC drill targets for 2021.

Additionally, the Company may look to fly an EM survey to potentially identify and base metal conductors as IGO is currently conducting a large Moving Loop EM program at the Thunderstorm project adjacent to the Tempest project.



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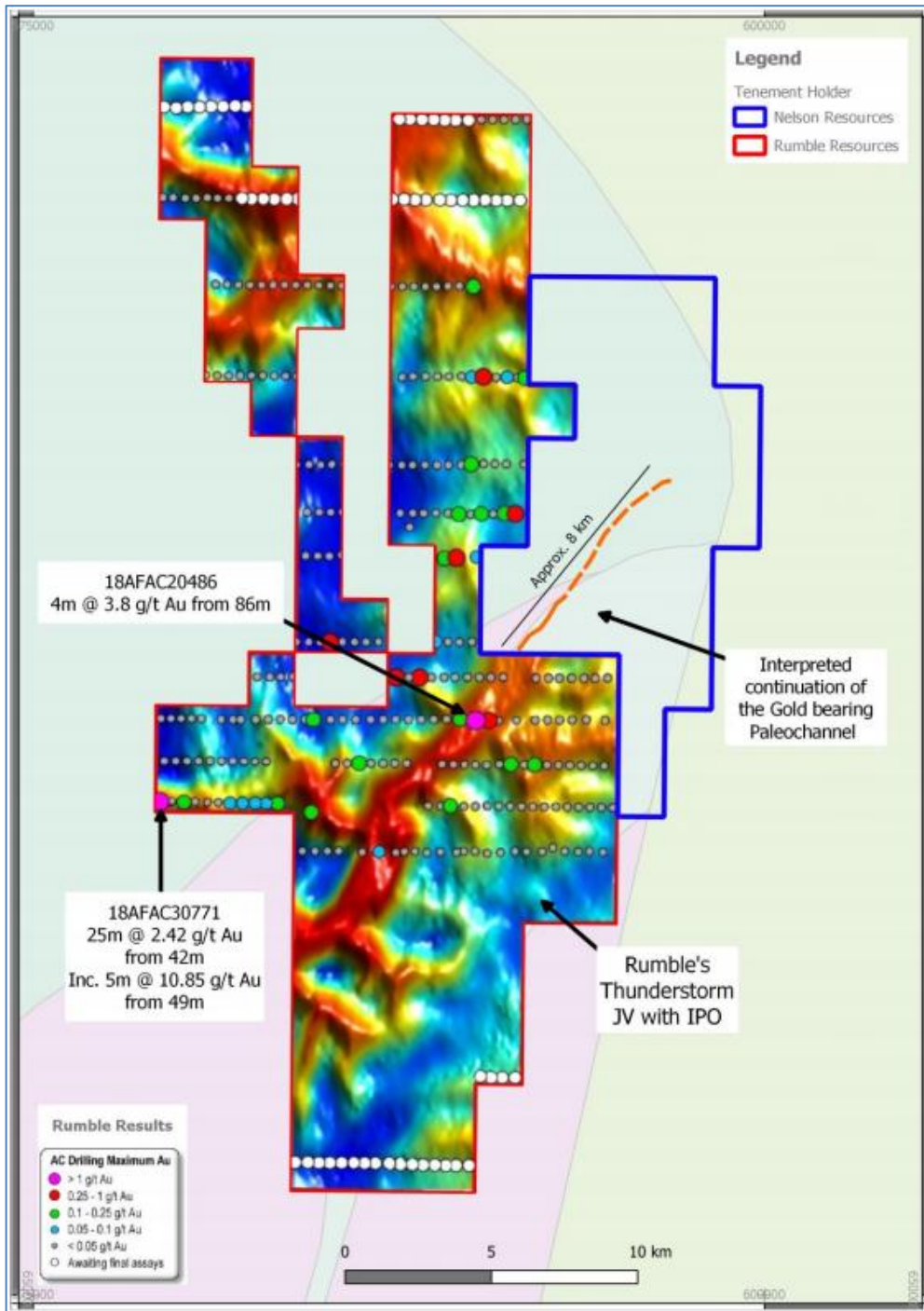


Figure 3. Tenement E28/2805 in relation to Rumble's Thunderstorm JV with IGO





Wilga Well

During the Quarter, the Company relinquished its Tenure at the Wilga Well prospect.

Yarri Project

During the Quarter, the company signed a 3-month option agreement with Haddison Limited for the potential sale of its Yarri Project.

Fortnum Project

During the Quarter, the Company continued discussions regarding a potential Joint Venture on the Fortnum Project.

Happy Jack

The Company has a retained 1% NSR on any future gold production on this tenement.

Financial commentary

The Appendix 5B for the quarter ended 30 June 2020 provides an overview of the Company's financial activities. Exploration expenditure for the quarter was \$96K, including \$49K of expenses incurred as a result of geological reviews and onsite visits. Corporate and other expenditure for the quarter was \$44K. The total amount paid to Directors of the Company, their associates and other related parties was \$63K and includes salary, fees and superannuation.

Subsequent to the end of the quarter the Company raised \$2.355m via a renounceable rights issue and placement.

As approved by the Board for release.



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ABOUT NELSON RESOURCES

Nelson Resources is an exploration company with a highly prospective 956km² tenure holding. The key focus for the company is its 828 km² Woodline Project.

The Woodline Project lies on the boundary of the Albany Fraser Oregon and the Norseman - Wiluna Greenstone belt in Western Australia.

The Woodline Project contains:

- 45km of the Cundeelee Shear Zone which already consists of a known +20km Gold Geochemical and bedrock anomaly, hosted in the same geological structural setting ¹ as the 7.7 million ounce Tropicana Gold mine ².
- 30km of significantly unexplored greenstones along the Norseman-Wiluna greenstone belt.
- A significant and unique holding within the confluence of the Keith-Kilkenny Fault / the Claypan Shear Zone and the Cundeelee Shear Zone. These three Shears have hosted many of the largest gold projects in Western Australia.
- Historical exploration of \$14 million by the Company, Sipa Resources, Newmont and MRG.

The 7.7 million ounce Tropicana Gold Mine which is operated by AngloGold Ashanti was discovered in 2005 by IGO Group Limited via a gold-in-soil anomaly that led to further exploration and is one of the most important gold discoveries in Australia for decades. Tropicana currently produces approximately 450,000 ounces per annum ³. In today's gold price terms, that equates to over A\$1 billion dollars per annum.

Nelson Resources confirms that it is not aware of any new information or data that materially affects the exploration results included in this announcement.

¹ <https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Korsch-presentations-0012.pdf>

¹ https://www.dmp.wa.gov.au/Documents/Geological-Survey/GSWA-AFO-Spaggiari_2-presentations-0004.pdf

² <http://www.tropicanaajv.com.au/irm/content/reserves-resource-statement1.aspx?RID=284>

³ <http://www.tropicanaajv.com.au/irm/content/fact-sheet.aspx?RID=318>

For further information please contact:

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Schedule of Exploration Tenements

Project Name	Tenement	Interest Held: 31-Mar-20	Interests in mining tenements and petroleum tenements acquired or increased	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Interest Held: 30- Jun-2020
Socrates	E28/2633	100%	-	-	100%
Socrates East - Application	E28/2993	-	-	-	-
Grindall	E28/2679	100%	-	-	100%
Grindall North	E28/2768	100%	-	-	100%
Grindall South	E28/2769	100%	-	-	100%
Redmill	E28/2873	100%	-	-	100%
Redmill	E28/2874	100%	-	-	100%
Redmill West - Application	E28/2987	-	-	-	-
Yarri (Wallaby)	P31/2085	100%	-	-	100%
Yarri (Gibberts)	P31/2086	100%	-	-	100%
Yarri (Great Banjo)	P31/2087	100%	-	-	100%
Wilga Well	P39/5586	100%	-	100%	-
Bullen West	E52/3695	100%	-	-	100%
Harvey	E63/1971	100%	-	-	100%
Harvey	E28/2923	100%	-	-	100%
Harvey West - Application	E28/2986	-	-	-	-
Morris – Application	E28/2941	-	-	-	-
Tempest	E28/2805	100%	-	-	100%



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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Nelson Resources Limited

ABN

83 127 620 482

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	(4)
(b) development	-	-
(c) production	-	-
(d) staff costs	(29)	(184)
(e) administration and corporate costs	(15)	(260)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	6
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives (cashflow boost)	10	10
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(34)	(433)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(7)	(22)
(d) exploration & evaluation (if capitalised)	(96)	(382)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	5	5
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(98)	(399)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1	301
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(19)	(30)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings (lease liability)	-	(34)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(18)	237
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	221	666
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(34)	(433)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(98)	(399)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(18)	237

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	71	71

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	51	201
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	71	221

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

13

48

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Includes Directors' salaries, fees and superannuation (inclusive of GST).

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(34)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(96)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(130)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	71
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	71
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	0.5
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. On 7 July 2020, the Company completed a rights issue / placement for a total of \$2.355m.	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes. On 7 July 2020 the Company completed a rights issue / placement for a total of \$2.355m.	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. The Company expects to be able to continue its operations and to meet its business objectives based on the completed rights issue / placement.	

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2020

Authorised by: By the Board of Nelson Resources Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.